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IAC-D-55 (Revised)

9 August 1952

INTELLIGENCE ADVISORY COMMITTEEFOREIGN INTELLIGENCE PROGRAM

1. The attached revision of NSC-114 "Progress Report" was prepared at the request of the Director of Central Intelligence. The major changes are in condensation, in the use of similar phraseology for evaluation, and to give an indication where a deficiency exists that something can or cannot be done about it.

2. It would be appreciated if representatives of the agencies would meet in Room 1128 M Building at 2:30 P.M. Tuesday, 12 August, to correct any inaccuracies resulting from the revision. In the event any agency has minor suggestions which could be transmitted over the telephone that would be quite satisfactory.

JAMES C. REIER  
Secretary

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I. National Estimates

1. The organization and procedures established since October 1950 for the production of national intelligence estimates have now been proved in practice. These estimates draw upon the resources of the entire intelligence community and can be materially improved only as we strengthen those resources. They derive authority from review by the heads of all responsible intelligence agencies. They do not represent the lowest common denominator of agreement. Dissents are encouraged.

2. A production program for national estimates now provides for (a) closing gaps in coverage; (b) projection of selected estimates from short to long term; and (c) thorough re-examination of such fundamentals as global Soviet capabilities and intentions. This program should be accomplished during FY 1953.

3. Close coordination between intelligence and policy and operational planning is basic. Some progress has been made, notably through CIA participation in the NSC Staff and in the improved relationships in each agency between intelligence and planning components. Further progress is needed, and will be pressed for, in order that policy planning may be more effectively served.

4. "Post-mortems," designed to reveal gaps and shortcomings in the preparation of given estimates, and to stimulate corrective action, are expected to strengthen future estimates.

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## II. Political, Social, and Cultural

1. The intelligence organization of the Department of State, which is responsible in this field, is meeting the most urgent demands of its own policy-makers and is producing intelligence reports of high quality to meet other-agency needs of high priority. However, many legitimate demands cannot be met because of lack of funds and personnel. The DCI and the Department are currently exploring means of correcting these deficiencies, with particular reference to intelligence support for psychological warfare.

## III. Armed Forces Intelligence

### 1. Operational Intelligence

Intelligence within Korea where our forces are in contact with the enemy is excellent. Information on installations and on developments in Manchuria such as the movement and activities of the Chinese Communist Forces and North Korean units north of the Yalu River, is inadequate. Reliable information of the enemy's long-range plans and intentions is practically non-existent. Little improvement in these deficiencies can be expected in the near future despite our efforts.

### 2. Order of Battle

Coverage on order of battle intelligence and equipment is generally adequate in respect of nations outside of the Iron Curtain except in the case of some neutral nations. Order of battle and equipment information on the USSR, Communist China, and - to a lesser degree - the European satellites is partial and inadequate, primarily because of the extreme difficulty of collection. However, intelligence on

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Communist Bloc units and equipment in most areas with which the United States or nations friendly to the United States are in contact is more complete and reliable.

### 3. Targeting

The assembling and analysis of encyclopedic target data on economic and industrial vulnerabilities of the Soviet Union and satellites is advancing favorably but less progress has been made on Western Europe and the Far East. Complete target intelligence on the Soviet atomic threat is handicapped by gaps (which will be very difficult to fill) in data on Soviet weapons, stockpiling arrangements and delivery capabilities.

### 4. Support for the North Atlantic Treaty Organization (NATO)

The United States has filled NATO requests with the best available intelligence consistent with the National Disclosure Policy. In addition to providing intelligence to assist in the establishment of original NATO files, the U. S. continues to furnish releasable current studies and reports pertinent to the area and the mission of the NATO major commands.

## IV. Economic Intelligence Research

1. Apart from the NIS program there is a continuing economic intelligence research effort which is designed to provide basic studies directly related to national security problems. As a general proposition this intelligence is now good for most of the broad conclusions required by the estimators; however, it is often not possible to define clearly

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the degree of reliability of certain data or to provide the amount of detail that is required to make the intelligence sufficiently precise or meaningful. This limits its value both for operational use and for estimates. However, economic intelligence has improved considerably in this respect within the past year and measures currently underway should not only provide new sources of data but improved analytic techniques. One example of this is the program of the past year to collect data and develop techniques for analysis of factory markings on equipment and components. Within the next year reports under this program should provide intelligence on numbers of equipment components and end-items, including military end-items produced in the Soviet Bloc.

2. Another major deficiency in the field of economic intelligence has been the shortage of professional personnel with general analytic competence, as opposed to the commodity expert. Under present recruitment programs it is anticipated that this problem will have diminished within the next year.

### 3. Support for Major Programs

In addition to providing support for departmental operations and national estimates the major intelligence programs in the economic field under NSCID 15 are as follows:

a. Economic Warfare: Implementation of NSC 104/2 and the Battle Act programs is requiring increased economic intelligence support. It is expected that the newly established coordinating committee will

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assist in bringing available intelligence more quickly and fully to bear on questions arising under this program. However, the potential demands for detailed operational intelligence in this field are virtually unlimited, and are and will continue to be well beyond the capacity of the intelligence agencies to satisfy.

b. Target Research: The target intelligence activities outlined in Section III (Armed Forces) involve detailed assessment of economic and structural vulnerabilities which can be done except for the gaps noted in that section.

c. Soviet Bloc Capability Studies: Among the highest priority tasks of the economic intelligence community is the continuing study of Soviet Bloc economic capabilities for war. This study currently employs for the first time a modified form of input-output analysis which is expected to lead to more accurate and meaningful estimates.

#### V. Scientific and Technical

1. Scientific and technical intelligence regarding the USSR and the satellites has made important progress since the beginning of Fiscal Year 1951. Current knowledge, however, is partial and inadequate in terms of national security needs.

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changes in the future. Knowledge of Soviet biological and chemical warfare programs is poor. A number of important intelligence "finds" in Soviet electronics and telecommunications have been made within the last year. Intelligence on air defense as determined by the electronics and telecommunications systems is much improved, although there are still enormous voids with respect to the developments which lead to radically improved or unique systems. Knowledge of current Soviet guided missiles programs is poor although certain projects based on German developments are fairly well known.

3. Scientific and technical intelligence on conventional military weapons and equipment of all types is good so far as standardized items in current use are concerned. Necessarily knowledge of weapons improvements in many cases must await Service use. In regard to development of new aircraft, information is partial and inadequate especially with respect to all-weather interceptors.

4. Intelligence is good and improving on the basic scientific research of the countries behind the Iron Curtain and of their resources in scientific manpower, institutions, and organizations.

5. The division of responsibility for production of scientific and technical intelligence activities has been under study by a special ad hoc committee appointed by the IAC. The committee has submitted a report which is awaiting action by the IAC.

#### VI. Psychological Intelligence

1. Overt and covert propaganda and psychological warfare programs

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have developed to an unprecedented degree in the past two years. The intelligence needs of these programs fall largely within the framework of political and sociological intelligence, but the orientation and organization of the material for the psychological warfare user calls for unaccustomed depth and detail both in the field reporting and in analysis.

2. The primary responsibility for psychological intelligence, now in State, has not been adequately met, largely because vigorous efforts to obtain adequate funds have failed. However, there are other organizations and responsibilities in this field of intelligence and there is as yet no clear pattern or coordination. An effort to accomplish such coordination is being made.

3. Efforts to eliminate duplication and to improve consultation between agencies in the area of research performed under government contract by private institutions have been encouraging; but much remains to be done. The overlap between the intelligence-research responsibility and the operational responsibilities of the propaganda and psychological warfare agencies complicates the problem.

#### VII. Basic Intelligence

1. The program of National Intelligence Surveys (NIS), which was begun in 1949 as an interdepartmental cooperative venture, was designed to meet the U. S. Government's needs for encyclopedic factual intelligence on a world-wide basis. Since the NIS program was begun 1,252 individual sections have been produced on 57 of the 108 NIS

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areas, which is the equivalent of approximately 20 complete NIS. Based upon the rate of production established during the last quarter of FY 1952, a production goal of the equivalent of approximately 10 complete NIS has been set for FY 1953.

2. NIS production is scheduled in accordance with JCS priorities and intelligence agency capabilities. Limitations of the latter have precluded production of NIS on all JCS high priority areas and made it necessary to undertake partial surveys on some areas. However, NIS production on the group of 24 areas of highest priority is approximately 45% complete, whereas the entire program is about 22% complete. NIS on eight individual areas are over 75% complete, and five of these are in the JCS high priority list. Geographic research support for NIS has been excellent.

3. The quality of the NIS is good and can be expected to improve as the gaps in information are filled and revisions are published under the Maintenance Program which was started in FY 1952. Coordination within and between all IAC and non-IAC agencies engaged in the NIS program is excellent and suitable liaison is maintained with the JCS.

#### VIII. Warning of Attack - Current Intelligence

1. As noted above, factual information on the Soviet orbit is partial and inadequate. Accordingly, conclusions concerning Soviet and Communist intentions to initiate hostilities at any given time must be tentative generalizations drawn from inadequate evidence. They are often based on estimates of the over-all situation rather than on detailed factual information.

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2. The IAC Watch Committee provides a sound foundation for extracting maximum benefit from poor information. In its work, the committee makes elaborate and careful cross-checks of information from all sources against an exhaustive analysis of possible indicators of Soviet intentions. This method is not relied on exclusively; other approaches are constantly being tried.

3. There is no guarantee that intelligence will be able to give adequate warning of attack prior to actual detection of hostile formations. Certain last-minute defensive and offensive preparations on the Soviet periphery may, however, be detected. Opportunity for detection of indications of Soviet or satellite attack on other areas varies from fair in the two border areas of Germany and Korea to extremely poor in the Transcaucasus and Southeast Asia. Each agency maintains its own 24 hour Watch arrangements to handle any information that is received.

4. In general there has been improvement during the past two years in the ability of current intelligence to provide prompt notice and preliminary evaluations of events and developments in the Soviet as well as in the neutral and friendly areas. This improvement is attributable to increased skill and knowledge of intelligence analysts and to a deepening sense of common purpose among the IAC agencies.

#### IX. Collection

##### 1. The Foreign Service

In general, the collection activities of the Foreign Service are satisfactory. Intelligence needs are met most adequately in the political field, less so in certain aspects of the economic field, and

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least satisfactorily in the scientific, technical and psychological fields. These deficiencies are generally attributable to a lack of specialized competence in those fields which are not closely related to the basic diplomatic functions of the Foreign Service. Remedial action has been taken by establishing a comprehensive economic reporting program and a continuing program of providing Foreign Service posts with more complete and effective guidance on intelligence needs. Additional remedial measures in progress concern the greater use of overseas personnel of certain operational programs in collecting basic intelligence information, particularly in the psychological and sociological fields; the recognition of the role of the Foreign Service in the national intelligence effort through the revision of the Foreign Service Manual to include for the first time specific and detailed intelligence instructions; and finally, by studying possible measures to meeting needs for basic scientific information.

## 2. Service Attache System

The Service Attache System furnishes extensive useful military information on countries outside the Iron Curtain. Attaches in the Soviet-bloc countries obtain and transmit a considerable volume of valuable information although, under the restrictions imposed on them by Communist governments, the coverage which they provide cannot be considered adequate. The Service Attache System has been strengthened since the beginning of the Korean conflict through the opening of new offices and the assignment of additional officers to important posts.

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Constant efforts are being made to improve the collection capabilities of Service Attaches by the development of new collection guides and techniques.

### 3. Overseas Commands

Armed Forces Commands in Europe are active and moderately successful in collecting information. While intelligence collection on the Soviet Union itself is partial and inadequate, it is good in the Eastern Zones of Germany and Austria. Considerable information is gathered by European Commands from returned PW's, escapees, and refugees.

Collection of intelligence in the Far East is good on friendly and neutral areas but is partial and inadequate on Communist China and Eastern Siberia. Tripartite Agreements for exchange of intelligence on Southeast Asia have considerably enhanced collection capabilities in the area and are expected to improve this situation.

### 4. Aerial Reconnaissance

The Armed Services have not as yet exploited fully their overflight capabilities in aerial reconnaissance. Because of increased current capabilities the contributions of photo reconnaissance are improving. The contributions of radar reconnaissance are only fair as compared to photo reconnaissance, but are being improved. Photo interpretation capability is generally poor in the Armed Services. Corrective measures underway include a research program to improve interpretation techniques, the establishment of new schools, and improved training methods. Research and development effort is being expended on free

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balloons, guided missiles, and satellites to overcome a lack of special reconnaissance vehicles.

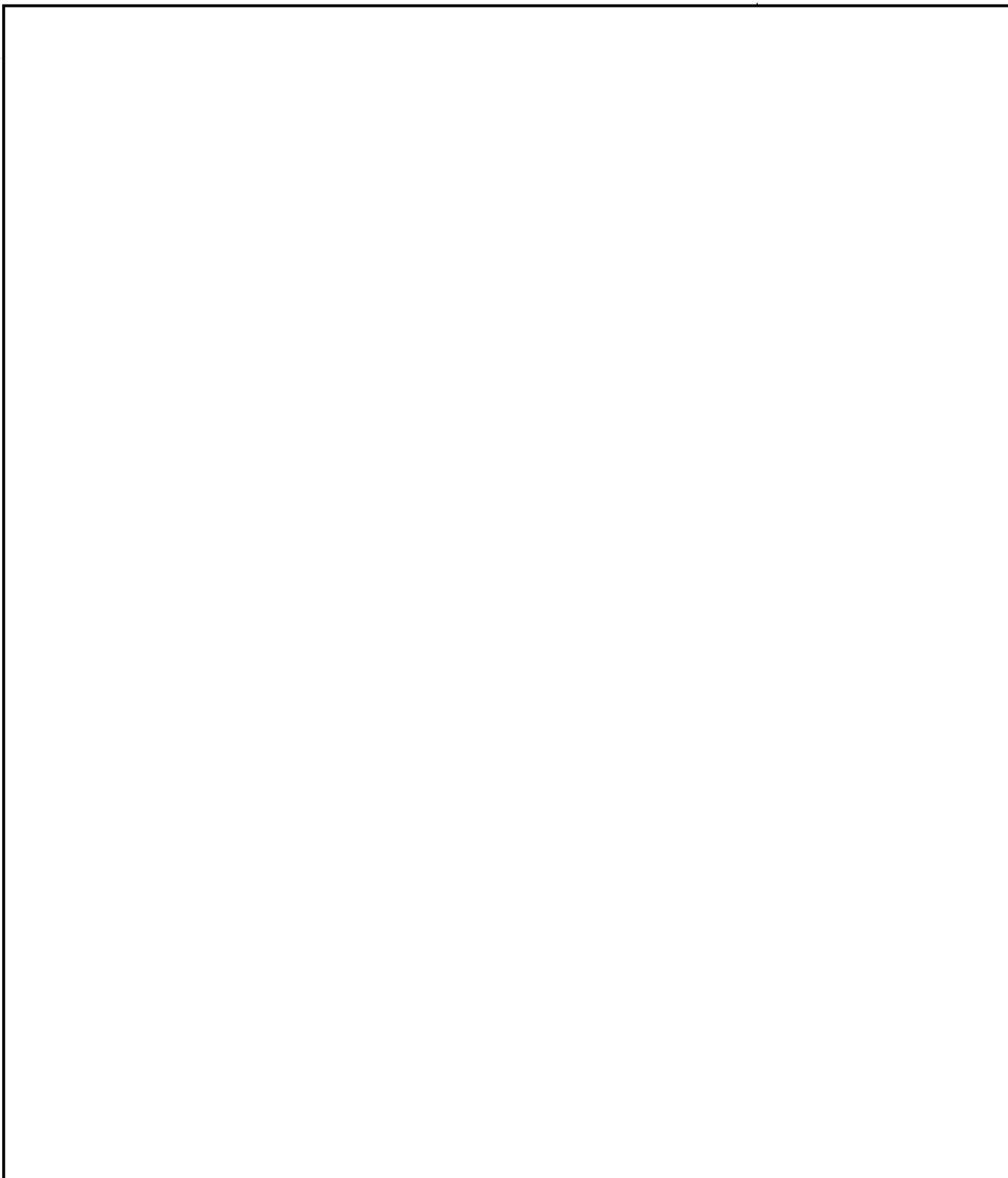
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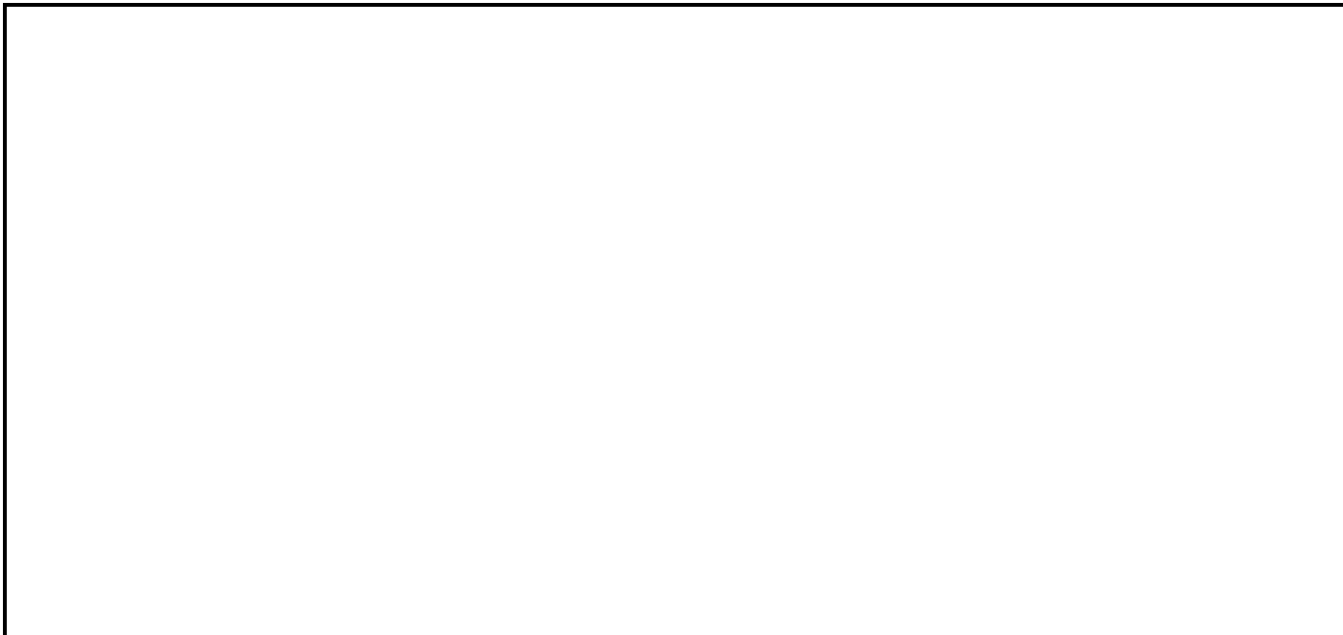
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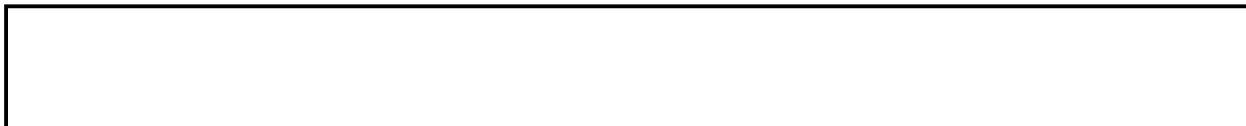
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#### 8. Foreign Materials and Equipment

The collection by various means and the technical analysis of manufactured items and raw materials from the Soviet orbit, although undertaken relatively recently, is providing useful scientific and economic information. Notwithstanding other means of collection, to date the most lucrative source of Soviet manufactured material has been in Korea. The variety of this equipment has enabled the intelligence agencies, through coordination with the Joint Materiel Intelligence Agency, to assess USSR technical capabilities in a wide range of fields. Collection in other areas is not as good, although procurement through covert channels is expected to mitigate this deficiency.

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#### 9. Monitoring of Radio Jamming

Under NSC 66/1 the agencies undertook the construction and organization of a monitoring system to obtain information on Soviet jamming and related activities in the radio frequency spectrum. A pilot operation involving a very limited number of stations is being established. Adequate information as to the extent of Soviet jamming, concentration of the jamming stations, and related information must await the implementation of a much-expanded program.

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X. Support and Collation Facilities

1. Availability of Materials

With a few exceptions, all pertinent foreign positive intelligence, both raw and finished, is distributed among all interested IAC agencies. In addition to the distribution of current material, there is a continuing effort to locate and extract pertinent information from the large volume of intelligence material that was collected during and after the war, and from other collections in overseas files. The sheer volume of these materials presents formidable and as yet unsolved problems. No IAC agency, utilizing existing techniques, is in a position to record and store all this material and to make the information contained therein readily available to analysts requiring it. Nor is there any agreed upon division of responsibility among the IAC agencies whereby this burden can be divided and shared. Further development of the techniques of machine indexing may provide a partial solution to these problems, or alternatively it may be possible to develop a division of responsibility and labor among the IAC agencies.

2. Library Facilities

While the libraries of the IAC agencies are not yet self-sufficient, they are equipped to satisfy most of the major needs of their users. Their utility can be increased and their effectiveness can be improved in connection with indexing methods, reclaiming of loan documents, and reference service staff, and an attempt will be made to do so.

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3. Biographic Information

Each IAC agency maintains files of biographic data on foreign personalities for its own particular purposes and makes such data available on political, military, and scientific personalities outside the Iron Curtain; coverage within the Soviet orbit is necessarily partial and inadequate. Personalities in the economic and industrial fields are poorly covered at present; although there is considerable information available. Means of improvement are currently being studied.

4. Graphics Material

The several Defense agencies and CIA each maintain photographic and related documentary libraries consistent with their requirements and responsibilities. Material in each library is available to all IAC agencies. While extensive holdings are available within the IAC agencies, continuing effort must be exerted to increase the quality and quantity of this highly important source of intelligence.

5. Map Procurement and Reference Services

Procurement of foreign-published maps and information on mapping abroad is coordinated by  an interagency map committee. Results during the past three years have proved the effectiveness of overt collection of maps and related information through the Foreign Service Geographic Attache program. Increased emphasis is being placed on the collection of maps and engineering drawings from

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domestic sources and Service Attache channels are also being used. The currently published foreign maps required for intelligence activities are received on a continuing basis through exchange arrangements between the Department of State and many foreign official mapping agencies. These exchanges are in addition to those of an operational character maintained by the Military Services. Excellent map reference services in support of intelligence requirements are maintained by close working arrangements between the map libraries serving the intelligence areas.

#### 6. Foreign Language Publications

Most foreign language publications significant to the intelligence effort are now being procured. Major gaps in Chinese Communist material and economic and technical information from the Soviet Union are the subject of increased attention. Improved indexing arrangements for Soviet and satellite publications have recently been inaugurated with the help of the Library of Congress. More needs to be done, however, in the technical fields.

Within the United States the main effort in the exploitation of foreign publications is conducted by CIA for the benefit of the community. Important work is also being done by private institutions, some of which are on contract with the Defense Department. Translation facilities for all necessary languages are available, although the volume of material which can be handled has fallen short of greatly increasing demands. It is clear that at the present time the intelligence com-

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munity is not fully utilizing the information potentially available in foreign publications. Additional measures are needed to ensure that such information is systematically supplied to analysts and an attempt is being made to do this.

Overseas Commands, particularly the Far East Command, exploit all captured enemy documents and all other such foreign language material that may be designated by the theater command as falling within their interest. FEC also accepts requests from Department of Defense agencies for translation and exploitation of foreign language material which could be performed more economically in FEC than in the Zone of Interior.

Although the situation varies with the agency and the language involved, there are inadequate numbers of intelligence officers and researchers who are able to read the language of the foreign area with which they work. Training programs are in effect which will gradually improve the situation and determined efforts have been made particularly with the Russian language, in which results are beginning to show. Comparable efforts in the Chinese field have hardly begun although there are a number of courses available.

#### 7. External Research

The extensive use by the intelligence agencies of external research, particularly in the social sciences, is comparatively recent. The goal of this research has been the development of basic data in support of intelligence, and the application of scientific and

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technological findings to intelligence problems. In addition, an effort is made to obtain the results of the considerably larger volume of research done on contract for research and operational Government agencies and of research done by private organizations without Government support. Considerable progress has been made in this field. No accurate appraisal of the value of the research program as a whole is possible, however, at this point. Considerable difficulty has been experienced, in coordinating individual research efforts and only partial success has been achieved in avoiding duplicative research by both intelligence and research agencies as well as policy and operational units, which are sponsoring and monitoring work of this kind.

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